

5 December 1960

Mr. George Edson  
Mutual of Omaha  
Omaha, Nebraska

Dear George:

With reference to our telephone conversation of several weeks ago, another problem comes to my mind, one which I think requires special handling.

We have a number of cases of patients being hospitalized for psychiatric treatment where charges are made on a flat weekly basis at \$175.00. This weekly fee is broken down as follows: Room and Board, \$15.00 per day; Medical Attendance, \$5.00 per day; and Other Hospitalization Services, \$5.00 per day. The only item in question here is "Medical Attendance," this being the services of the psychiatrist in the hospital.


It is our interpretation that each daily charge of \$5.00 constitutes one visit, in which case, in accordance with the terms of the contract under Major Medical, we are permitted to reimburse a rate of 50% of this \$5.00, or \$2.50 for 50 such visits or treatment per year.

It is our opinion that this is a relatively small amount to be allowed for such treatment since, if these treatments were being administered under other circumstances, they would more than likely be \$15.00 or \$20.00 each. My question then is simple--are we paying the specific charges in the correct manner or could we allow more than this \$2.50 per treatment?

Since this type of treatment is becoming more prevalent, it would be appreciated if an answer is forwarded as soon as possible.

By the way, we are desperately in need of help on those listings in connection with the Master Contract. I hope you have sent them.

Sincerely yours,

  
Vice President

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LTP: bao